

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 98-0319P

Use Tax

Calendar Years 1994, 1995, 1996

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer protests the penalty assessed on an audit completed on March 23, 1998.

Taxpayer failed to self-assess and remit use tax. Taxpayer is a Delaware Corporation qualified to do business in Indiana as of May 21, 1975 and has two sales offices in Indiana.

1. **Tax Administration** – Penalty

DISCUSSION

Taxpayer requests a waiver of penalty based upon their history and prompt filings and that it was their first audit.

Taxpayer's audit report revealed that no use tax accrual system was in place. The ST-103's clearly have an area in which to report purchases where no sales tax was collected. The taxpayer failed to self assess as required by statute.

The taxpayer purchased computer equipment, office furniture and a generator, which were delivered into Indiana that had no sales or use tax collected. 45 IAC 2.2-3-20 clearly states that all purchases of tangible personal property which are stored, used, or consumed in the state of Indiana are subject to the

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tax.

The taxpayer was negligent in failing to remit the use tax due.

FINDING

Taxpayer's protest is denied.